MONTANA LEGISLATIVE HISTORY

Chapter 449 19 95

Bill H _____ S 340 Original bill & history ✓ C

H. Committee on Judiciary ✓			S. Committee on Judiciary ✓		
Hearing Date(s)	3-6	✓ C	Hearing Date(s)	2-16	✓ C
	3-14	✓ C			C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

	RETURNED TO SENATE WITH AMENDMENTS		
4/05	2ND READING AMENDMENTS CONCURRED	50	0
4/06	3RD READING AMENDMENTS CONCURRED	49	1
4/11	SIGNED BY PRESIDENT		
4/11	SIGNED BY SPEAKER		
4/11	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 448		
	EFFECTIVE DATE: 10/01/95		

SB 340 INTRODUCED BY CRIPPEN, ET AL.

PROVIDE FOR FORMATION, REGISTRATION, AND REGULATION OF LIMITED LIABILITY PARTNERSHIPS

2/09	INTRODUCED		
2/09	FIRST READING		
2/09	REFERRED TO JUDICIARY		
2/16	HEARING		
2/18	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	2ND READING PASSED	50	0
2/21	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/22	FIRST READING		
2/22	REFERRED TO JUDICIARY		
3/06	HEARING		
3/15	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/25	2ND READING CONCURRED	89	8
3/27	3RD READING CONCURRED	91	6
	RETURNED TO SENATE WITH AMENDMENTS		
4/03	2ND READING AMENDMENTS CONCURRED	46	0
4/04	3RD READING AMENDMENTS CONCURRED	49	0
4/08	SIGNED BY PRESIDENT		
4/08	SIGNED BY SPEAKER		
4/10	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 449		
	EFFECTIVE DATE: 10/01/95		

SB 341 INTRODUCED BY HOLDEN

GENERALLY REVISE THE MONTANA COMPREHENSIVE HEALTH ASSOCIATION PLAN

2/09	INTRODUCED		
2/09	FIRST READING		
2/09	REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY		
2/18	HEARING		
2/20	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/21	2ND READING PASSED	50	0
2/22	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/27	FIRST READING		
2/27	REFERRED TO HEALTH CARE SELECT		
3/04	REREFERRED TO JOINT HEALTH CARE SELECT		
3/09	HEARING		
3/17	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/24	2ND READING CONCURRED	89	7
3/25	3RD READING CONCURRED	88	9
	RETURNED TO SENATE WITH AMENDMENTS		
3/30	FISCAL NOTE RECEIVED		
3/30	FISCAL NOTE PRINTED		

SENATE BILL NO. 340

INTRODUCED BY Cyp Johnson

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE FORMATION, REGISTRATION, AND REGULATION OF LIMITED LIABILITY PARTNERSHIPS; AND AMENDING SECTIONS 30-13-201, 30-13-202, 30-13-206, 30-13-213, 30-13-217, 35-10-102, 35-10-116, 35-10-307, 35-10-308, 35-10-312, 35-10-401, 35-10-621, 35-10-628, 35-10-629, 35-10-635, AND 35-10-636, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 30-13-201, MCA, is amended to read:

"**30-13-201. Definitions.** As used in this part, the following definitions apply:

(1) "Assumed business name" means:

(a) any business name other than the full, true, and correct name of a person; or

(b) the full, true, and correct name of a limited liability partnership.

(2) "Person" means any individual, partnership, corporation, or other association."

Section 2. Section 30-13-202, MCA, is amended to read:

"**30-13-202. Registration of assumed business name -- when prohibited.** (1) When an application for registration or amendment to the registration of an assumed business name contains an assumed business name which is the same as or deceptively similar to an assumed business name already registered or to any corporate name, limited partnership name, limited liability company name, limited liability partnership name, trademark, or service mark registered or reserved with the secretary of state, the secretary of state may not register the assumed business name for which application is made.

(2) When the applicant is other than a corporation, limited partnership, ~~or~~ limited liability company, or limited liability partnership, the secretary of state may not register the assumed business name for which application is made if the name applied for contains or there is added at the end of the name the word "corporation", "company", "incorporated", or "limited" or an abbreviation of one of the words."

Section 3. Section 30-13-206, MCA, is amended to read:

"**30-13-206. Term and renewal of assumed business name registration.** (1) Registration of an assumed business name is effective for a term of 5 years from the date of registration. Upon application for renewal of registration on forms furnished by the secretary of state, the registration may be renewed for another 5-year term.

(2) Not less than 90 days before the expiration date of registration of an assumed business name, the secretary of state shall notify the applicant of record of the pending expiration by addressing a notice to the last-known address of ~~such~~ the applicant.

(3)(a) ~~If~~ Subject to subsection (3)(b), if the applicant or person in whose name an assumed business name is registered fails to file an application for renewal with the secretary of state within a 90-day period prior to the expiration date of ~~such~~ the registration, the secretary of state shall cancel the registration.

(b) If a limited liability partnership fails to file an application for renewal with the secretary of state within a 90-day period prior to the expiration date of the registration, the secretary of state shall again notify the limited liability partnership of the pending expiration and give the limited liability partnership an additional 90 days within which to renew its registration. If the limited liability partnership fails to renew its registration within the second 90-day period, the secretary of state shall cancel the registration and the partnership is no longer a limited liability partnership."

Section 4. Section 30-13-213, MCA, is amended to read:

"**30-13-213. Voluntary cancellation of registration of assumed business name.** (1) When the registrant of record of a registered assumed business name wishes to cancel ~~such~~ the registration, ~~he~~ the registrant shall deliver to the secretary of state an executed and verified original affidavit of cancellation of registration of an assumed business name, which ~~shall~~ must include but not be limited to the following information:

(a) the complete name of the registered assumed business name to be canceled; and

(b) the name and address, including the street name and number, if any, of the registrant of record.

(2) If the secretary of state finds the affidavit complies with the provisions of this section, ~~he~~ the secretary of state shall file it ~~in his office~~ and mail a letter ~~of acknowledgment~~ acknowledging cancellation of ~~such~~ the filing to the registrant of record."

Section 5. Section 30-13-217, MCA, is amended to read:

"**30-13-217. Fees and charges to be established and collected by secretary of state.** (1) The secretary of state shall by administrative rule establish, charge, and collect in accordance with the provisions of this part and commensurate with costs:

(a) fees for filing documents and issuing certificates; and

(b) miscellaneous charges.

(2) The secretary of state shall maintain records sufficient to support the fees and miscellaneous charges established under this section.

(3) In addition to the fees and charges in subsection (1), the secretary of state shall charge and collect from each limited liability partnership a license fee of:

(a) $250 at the time of registration under 30-13-203; and

(b) $250 at the time of each renewal of registration under 30-13-206 through 30-13-208."

Section 6. Section 35-10-102, MCA, is amended to read:

"**35-10-102. Definitions.** In this chapter, the following definitions apply:

(1) "Business" includes every trade, occupation, or profession.

(2) "Debtor in bankruptcy" means a person who is the subject of:

(a) an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or

(b) a comparable order under state law governing insolvency.

(3) "Distribution" means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the partner's transferee.

(4) "Limited liability partnership" means a partnership registered under [section 17] and includes both domestic and foreign limited liability partnerships.

(5)(a) "Partnership" means an association of two or more persons to carry on as co-owners a business for profit formed under 35-10-202, a predecessor law, or a comparable law of another jurisdiction.

(b) The term includes but is not limited to a limited liability partnership for all purposes of the laws of this state and all licensing laws, whether for professionals or otherwise.

~~(4)~~(6) "Partnership agreement" means an agreement, written or oral, among the partners concerning the partnership.

Section 8. Section 35-10-307, MCA, is amended to read:

"**35-10-307. Partner's liability.** (1) ~~All~~ Except as provided in subsection (2), all partners are liable jointly and severally for all obligations of the partnership unless otherwise agreed by the claimant or provided by law.

(2) Except as provided in subsections (3) and (4), a partner of a partnership is not liable, directly or indirectly, including by way of indemnification, contribution, assessment, or otherwise, for:

(a) any debts, obligations, or liabilities of or chargeable to the limited liability partnership or another partner, whether arising in tort, contract, or otherwise; or

(b) the acts or omissions of any other partner or agents, contractors, or employees of the limited liability partnership if the debts, obligations, or liabilities arise or are incurred while the limited liability partnership is registered under [section 17].

(3) Subsection (2) does not affect the liability of a partner in a limited liability partnership for the partner's own negligence, wrongful act, or misconduct, including without limitation an act under 35-10-628(2), or that of any person under the partner's direct supervision and control.

(4) Subsection (2) does not affect or impair the ability of a partner to act as a guarantor or surety for, provide collateral for, or otherwise agree to be primarily or contingently liable for the debts, obligations, or liabilities of a partnership.

(5) Subsection (2) does not affect the liability of a partnership for partnership debts, obligations, or liabilities to the extent of partnership assets.

(6) Unless the partner is personally liable under this section, a partner in a limited liability partnership is not a proper party to a proceeding by or against a limited liability partnership to recover any debts, obligations, or liabilities of or chargeable to the limited liability partnership."

Section 9. Section 35-10-308, MCA, is amended to read:

"**35-10-308. Purported partner.** (1) If a person, by words or conduct, purports to be a partner or consents to being represented by another as a partner in a partnership or with one or more persons who are not partners, the purported partner is liable to a person to whom the representation is made:

(a) if that person, relying on the representation, enters into a transaction with the actual or purported partnership; and

(b) the purported partner would have been personally liable for obligations of the partnership under

~~(5)~~(7) "Partnership at will" means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.

~~(6)~~(8) "Person" means:

(a) an individual;

(b) a corporation;

(c) a business trust;

(d) an estate;

(e) a trust;

(f) a partnership;

(g) an association;

(h) a joint venture;

(i) a government;

(j) a governmental subdivision, agency, or instrumentality; or

(k) any other legal or commercial entity.

~~(7)~~(9) "Property" means all property, real, personal, or mixed, tangible or intangible, or any interest therein.

~~(8)~~(10) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

~~(9)~~(11) "Statement" means a statement of partnership authority under 35-10-310, a statement of denial under 35-10-311, a statement of dissociation under 35-10-622, a statement of dissolution under 35-10-627, a statement of merger under 35-10-643, an application for registration of assumed business name or a renewal of registration under [section 17], or an amendment, ~~or~~ cancellation, or withdrawal of the foregoing.

~~(10)~~(12) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and encumbrance."

Section 7. Section 35-10-116, MCA, is amended to read:

"35-10-116. Law governing internal affairs. ~~The~~ Except as provided in [section 20], the law of the state in which a partnership has its chief executive office governs the partnership's internal affairs."

35-10-307 or 35-10-629 if the purported partner had been a partner.

(2) ~~If~~ Subject to subsection (1), if the representation, either by the purported partner or by a person with the purported partner's consent, is made in a public manner, the purported partner is liable to a person who relies upon the purported partnership even if the purported partner is not aware of being held out as a partner to the claimant. If partnership liability results, the purported partner is liable as if the purported partner were a partner. If no partnership liability results, the purported partner is liable jointly and severally with any other person consenting to the representation.

~~(2)~~(3) ~~If~~ Subject to subsection (1), if a person is ~~thus~~ represented to be a partner in an existing partnership or with one or more persons who are not partners, the purported partner is an agent of persons consenting to the representation to bind them to the same extent and in the same manner as if the purported partner were a partner with respect to persons who enter into transactions in reliance upon the representation. If all of the partners of the existing partnership consent to the representation, a partnership act or obligation results. ~~If~~ Subject to subsection (1), if fewer than all of the partners of the existing partnership consent to the representation, the person acting and the partners consenting to the representation are jointly and severally liable as if the person had actually been a partner.

~~(3)~~(4) A person is not a partner in a partnership merely because the person is named by another in a statement of partnership authority.

~~(4)~~(5) A person does not continue to be a partner merely because of a failure to file a statement of dissociation or to amend a statement of partnership authority to indicate the partner's dissociation from the partnership."

Section 10. Section 35-10-312, MCA, is amended to read:

"35-10-312. Action by and against partnership and partners. (1) A partnership may sue and be sued in the name of the partnership.

(2) An action may be brought against the partnership and any or all of the partners who are personally liable for obligations of the partnership under 35-10-307 or 35-10-629 in the same action or in separate actions.

(3) A judgment against a partnership is not by itself a judgment against a partner. A judgment against a partnership may not be satisfied from a partner's assets unless there is also a judgment against the partner.

(4) A judgment creditor of a partner may not levy execution against the assets of the partner to satisfy a judgment based on a claim against the partnership unless:

(a) a judgment based on the same claim has been obtained against the partnership and a writ of execution on the judgment has been returned unsatisfied in whole or in part;

(b) (i) an involuntary case under Title 11 of the United States Code has been commenced against the partnership and has not been dismissed within 60 days after commencement or the partnership has commenced a voluntary case under Title 11 of the United States Code and the case has not been dismissed; and

(ii) Title 11 of the United States Code permits a judgment creditor of a partner to levy execution against the assets of the partner to satisfy a judgment based on a claim against the partnership;

(c) the partner has agreed that the creditor need not exhaust partnership assets;

(d) a court grants permission to the judgment creditor to levy execution against the assets of a partner based on a finding that partnership assets subject to execution within this state are clearly insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively burdensome, or that the grant of permission is an appropriate exercise of the court's equitable powers; or

(e) liability is imposed on the partner by law or contract independent of the existence of the partnership.

(5) This section applies to any partnership liability or obligation resulting from a representation by a partner or purported partner under 35-10-308(1), ~~or~~ (2), or (3)."

Section 11. Section 35-10-401, MCA, is amended to read:

"**35-10-401. Partner's rights and duties.** (1) A partnership shall establish an account for each partner. The partnership shall credit the account with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, that the partner contributes to the partnership and the partner's share of the partnership profits. The partnership shall charge the account with an amount equal to the money plus the value of any other property, net of the amount of any liabilities, distributed by the partnership to the partner and the partner's share of the partnership losses. However, the partner is personally liable for the charges only as provided in 35-10-307 and 35-10-629.

(2) A partnership shall credit each partner's account with an equal share of the partnership profits. A partnership shall charge each partner with a share of the partnership losses, whether capital or operating,

in proportion to the partner's share of the profits. However, a partner is personally liable for this indemnification only to the extent that the partner would be personally liable under 35-10-307 and 35-10-629.

(3) A partnership shall indemnify each partner for payments reasonably made and liabilities reasonably incurred by the partner in the ordinary and proper conduct of the business of the partnership or for the preservation of its business or property. However, a partner is personally liable for this indemnification only to the extent that the partner would be personally liable under 35-10-307 and 35-10-629.

(4) A partnership shall repay a partner who, in aid of the partnership, makes a payment or advance beyond the amount of capital the partner agreed to contribute.

(5) A payment made by a partner that gives rise to a partnership obligation under subsection (3) or (4) constitutes a loan to the partnership. Interest accrues from the date of the payment or advance.

(6) Each partner has equal rights in the management and conduct of the partnership business.

(7) A partner may use or possess partnership property only on behalf of the partnership.

(8) A partner is not entitled to remuneration for services performed for the partnership, except for reasonable compensation for services rendered in winding up the business of the partnership.

(9) A person may become a partner only with the consent of all the partners.

(10) A difference arising as to a matter in the ordinary course of business of a partnership may be decided by a majority of the partners. An act outside the ordinary course of business of a partnership and an amendment to the partnership agreement may be undertaken only with the consent of all the partners.

(11) This section does not affect the obligations of a partnership to other persons under 35-10-301."

Section 12. Section 35-10-621, MCA, is amended to read:

"35-10-621. Dissociated partner's liability to other persons. (1) A partner's dissociation does not of itself discharge the partner's liability for a partnership obligation incurred before dissociation. A dissociated partner is not liable for a partnership obligation incurred after dissociation except as provided in subsection (2).

(2) A partner who dissociates without resulting in a dissolution and winding up of the partnership business is personally liable as a partner to the other party ~~in~~ as the result of a partnership obligation

incurred in connection with a transaction entered into by the partnership or a surviving partnership under 35-10-635 through 35-10-637 and 35-10-641 through 35-10-644 within 2 years after the partner's dissociation only if the other party to the transaction:

(a) reasonably believed when entering the transaction that the dissociated partner was a partner at that time;

(b) did not have notice of the partner's dissociation; ~~and~~

(c) is not considered to have had knowledge under 35-10-310(5) or notice under 35-10-622; and

(d) the obligation is one for which the partner would be personally liable under 35-10-307 or 35-10-629 if the partner had not dissociated.

(3) By agreement with the partnership creditor and the partners continuing the business, a dissociated partner may be released from liability for a partnership obligation.

(4) A dissociated partner is released from liability for a partnership obligation if a partnership creditor, with notice of the partner's dissociation but without the partner's consent, agrees to a material alteration in the nature or time of payment of a partnership obligation."

Section 13. Section 35-10-628, MCA, is amended to read:

"**35-10-628. Partner's liability to other partners after dissolution.** (1) Except as provided in 35-10-625(3)(b) and subsection (2) of this section, after dissolution a partner is liable to the other partners for the partner's share of any partnership liability incurred under 35-10-626 for which the partner is personally liable under 35-10-307 or 35-10-621.

(2) A partner who, with knowledge of the winding up, incurs a partnership liability under 35-10-626(2) by an act that is not appropriate for winding up the partnership business is liable to the partnership for any loss caused to the partnership arising from the liability."

Section 14. Section 35-10-629, MCA, is amended to read:

"**35-10-629. Settlement of accounts among partners.** (1) In winding up a partnership's business, the assets of the partnership must be applied to discharge its obligations to creditors, including partners who are creditors. Any surplus must be applied to pay in cash the net amount distributable to partners in accordance with their right to distributions pursuant to subsection (2).

(2) Each partner is entitled to a settlement of all partnership accounts upon winding up the

partnership business. In settling accounts among the partners, the profits and losses that result from the liquidation of the partnership assets must be credited and charged to the partners' accounts. The partnership shall make a distribution to a partner in an amount equal to that partner's positive account balance. A partner shall contribute to the partnership an amount equal to that partner's negative balance but only to the extent that the negative balance is attributable to debts, obligations, or liabilities for which the partner is personally liable under 35-10-307.

(3) To the extent not taken into account in settling the accounts among partners pursuant to subsection (2), each partner shall contribute, in the proportion in which the partner shares partnership losses and to the extent the partner is personally liable under 35-10-307, the amount necessary to satisfy partnership obligations. If a partner fails or is not obligated to contribute, the other partners shall contribute, in the proportions in which the partners share partnership losses, the additional amount necessary to satisfy the partnership obligations. A partner or a partner's legal representative may recover from the other partners any contributions the partner makes to the extent the amount contributed exceeds that partner's share of the partnership obligations but only to the extent the contributions are made because of obligations for which the other partners are personally liable under 35-10-307.

(4) The estate of a deceased partner is liable for the partner's obligation to contribute to the partnership under subsections (2) and (3).

(5) An assignee for the benefit of creditors of a partnership or a partner, or a person appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's obligation to contribute to the partnership under subsections (2) and (3)."

Section 15. Section 35-10-635, MCA, is amended to read:

"35-10-635. Conversion of partnership to limited partnership. (1) A partnership may be converted to a limited partnership pursuant to this section.

(2) The terms and conditions of a conversion of a partnership to a limited partnership must be approved by all the partners or by a number or percentage specified for conversion in the partnership agreement.

(3) After the conversion is approved by the partners, the partnership shall file a certificate of limited partnership that satisfies the requirements of 35-12-601 and includes:

(a) a statement that the partnership was converted to a limited partnership from a partnership;

(b) its former name; and

(c) a statement of the number of votes cast by the partners for and against the conversion and, if the vote is less than unanimous, the number or percentage required to approve the conversion under the partnership agreement.

(4) The conversion takes effect when the certificate of limited partnership is filed or at any later date specified in the certificate.

(5) A partner who becomes a limited partner as a result of the conversion remains liable as a partner for an obligation, incurred by the partnership before the conversion takes effect, for which the partner is personally liable under 35-10-307 and 35-10-629. If the other party to a transaction with the limited partnership reasonably believes when entering the transaction that the limited partner is a general partner, the partner is liable for an obligation incurred by the limited partnership within 90 days after the conversion takes effect but only to the extent that the limited partner would have been personally liable for the partnership under 35-10-307 or 35-10-629 immediately prior to the conversion. The partner's liability for all other obligations of the limited partnership incurred after the conversion takes effect is that of a limited partner as provided in Title 35, chapter 12."

Section 16. Section 35-10-636, MCA, is amended to read:

"**35-10-636. Conversion of limited partnership to partnership.** (1) A limited partnership may be converted to a partnership pursuant to this section.

(2) Notwithstanding a provision to the contrary in a limited partnership agreement, the terms and conditions of a conversion of a limited partnership to a partnership must be approved by all the partners.

(3) After the conversion is approved by the partners, the limited partnership shall cancel its certificate of limited partnership pursuant to 35-12-603.

(4) The conversion takes effect when the certificate of limited partnership is canceled.

(5) A limited partner who becomes a partner as a result of the conversion remains liable only as a limited partner for an obligation incurred by the limited partnership before the conversion takes effect. The limited partner is liable as a partner for an obligation of the partnership for which the partner is personally liable under 35-10-307 or 35-10-629 and which arises or is incurred after the conversion takes effect."

NEW SECTION. **Section 17. Registration of limited liability partnerships.** (1) To become a limited liability partnership, a partnership shall file with the secretary of state an application for registration of an assumed business name, on a form furnished by the secretary of state, that indicates an intention to register as a limited liability partnership under this section. The registration of a limited liability partnership under this section is subject to all of the terms and conditions otherwise applicable to the registration of an assumed business name pursuant to Title 30, chapter 13, part 2.

(2) The application for registration of an assumed business name must be executed by one or more partners authorized to execute the application and registration.

(3) The secretary of state shall register as a limited liability partnership any partnership that substantially complies with Title 30, chapter 13, part 2, and this section.

(4) A partnership's registration under this section is effective when the secretary of state files the partnership's application for registration of an assumed business name under subsection (1) and remains in effect until it is canceled by the secretary of state pursuant to Title 30, chapter 13, part 2.

(5) The fact that an application for registration of an assumed business name under this section or any renewals of the assumed business name is on file with the office of the secretary of state is notice that the partnership is a limited liability partnership and is notice of all other facts set forth in the application.

(6) The secretary of state shall provide necessary forms for the registration of a limited liability partnership under subsection (1) or any renewals of registration.

NEW SECTION. **Section 18. Effect of registration -- entity unchanged.** (1) A partnership that has registered under [section 17] is for all purposes of the laws of this state, including but not limited to all licensing laws, whether for professionals or otherwise, the same entity that existed before the registration.

(2) When registration of a partnership under [section 17] takes effect:

(a) all tangible and intangible property, whether real or personal, owned by the partnership remains vested in the partnership;

(b) all debts, obligations, or liabilities of and chargeable to the partnership continue as debts, obligations, or liabilities of the partnership; and

(c) any actions or proceedings pending by or against the partnership may be continued as if the registration under [section 17] had not occurred.

(3) If a partnership dissolves and its business continues without liquidation of the partnership affairs, the registration of the limited liability partnership must continue to be applicable to the partnership continuing the business. The partnership continuing the business is considered to have filed any documents required or permitted under this section that were filed by the dissolved partnership. The partnership continuing the business shall renew its registration at the time the dissolved partnership would have been required to file an application for renewal pursuant to Title 30, chapter 13, part 2.

(4) If a partnership dissolves, winds up its affairs, and liquidates, the registration of the limited liability partnership must remain in effect as to the partnership and the partners during the period of dissolution, winding up, and liquidation and as to the partners subsequent to dissolution, winding up, and liquidation as to debts, obligations, or liabilities for which a partner was not personally liable under 35-10-307 or 35-10-629.

NEW SECTION. **Section 19. Name of limited liability partnerships.** The name of a limited liability partnership must contain the words "limited liability partnership" or, in the case of professionals subject to licensing laws of this state or other states, "professional limited liability partnership" or the abbreviation "l.l.p.", "llp", "p.l.l.p.", or "pllp" as the last words or letters of its name.

NEW SECTION. **Section 20. Applicability to foreign or interstate commerce.** (1) A partnership formed pursuant to an agreement governed by this chapter may conduct its business, carry on its operations, and have and exercise the powers granted by this chapter in any state, territory, district, or possession of the United States or in any foreign country.

(2) It is the intent of the legislature that the legal existence of partnerships formed pursuant to an agreement governed by this chapter must be recognized outside the boundaries of this state and that the laws of this state governing a partnership transacting business outside this state be granted the protection of full faith and credit under the United States constitution.

(3) Notwithstanding 35-10-116, the internal affairs of partnerships formed pursuant to an agreement governed by this chapter, including the personal liability of partners for debts, obligations, and liabilities of or chargeable to the partnership or another partner, are subject to and governed by the laws of this state.

(4) Before transacting business in this state as a limited liability partnership, a partnership formed

pursuant to an agreement governed by the laws of any state or jurisdiction other than this state shall:

(a) comply with any statutory or administrative registration or filing requirements governing the specific type of business in which the partnership is engaged; and

(b) register under [section 17]. If registered, the partnership appoints the secretary of state as its agent for service of process with respect to causes of action arising out of the transaction of business in this state.

(5) Notwithstanding 35-10-116, the internal affairs of partnerships formed pursuant to an agreement governed by the laws of any state or jurisdiction other than this state, including the liability of partners for debts, obligations, and liabilities of or chargeable to the partnership or another partner, are subject to and governed by the laws of the jurisdiction in which the partnership is formed.

NEW SECTION. **Section 21. Codification instruction.** [Sections 17 through 20] are intended to be codified as an integral part of Title 35, chapter 10, and the provisions of Title 35, chapter 10, apply to [sections 17 through 20].

-END-

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
	2/06	2/09		TABLED ON 02/09 VOTE:		
SB0316	BISHOP, AL 2/07	2/15	PROVIDE DUI SENTENCING ENHANCEMENT FOR DUI	2/14 DO PASS VOTE:		2/15
SB0318	BENEDICT, STEVE 2/07	2/13	ESTABLISH STATUTE OF LIMITATIONS FOR ACCOUNTANT'S NEGL & BREACH OF CONTRACT	TABLED ON 02/14 VOTE:		
SB0333	BISHOP, AL 2/08	2/15	REVISE PROBATIONARY DRIVER'S LICENSE PROCEDURES UNDER DUI LAWS	3/15 DO PASS VOTE:		2/15
SB0340	CRIPPEN, BRUCE 2/09	2/16	AUTHORIZE LIMITED LIABILITY PARTNERSHIPS	2/16 PASS AS AMENDED VOTE:		2/18
SB0342	BARTLETT, SUE 2/09		LOCATE LAW ENFORCEMENT ACADEMY IN HELENA	VOTE:	FINANCE & CLAIMS	
SB0350	VAN VALKENBURG, FRED 2/10	2/15	EMPLOYER NOTICE OF THEFT FROM EMPLOYER BY PROBATIONER OR PAROLEE	2/15 DO PASS VOTE:		2/15
SB0353	HALLIGAN, MIKE 2/10	2/13	REVISE GUARDIAN AD LITEM IN FAMILY MATTERS/SPECIAL MASTERS IN CRIMINAL CASES	2/13 PASS AS AMENDED VOTE:		2/13
SB0387	BECK, TOM 2/27	3/04	CLARIFY WATER RIGHTS ADJUDICATION; EXPAND THE WATER CLAIM APPEAL PROCESS 3/4 SUB	3/16 PASS AS AMENDED VOTE:		3/07
SB0402	ECK, DOROTHY 2/15	2/16	MEDICAL SUPPORT ORDERS IN DIVORCE AND OTHER PROCEEDINGS	2/16 PASS AS AMENDED VOTE:		2/18
SJ0003	BENEDICT, STEVE 1/02	1/10	ASSERT STATES RIGHTS	1/17 PASS AS AMENDED VOTE:		1/17
SJ0006	BROWN, BOB 1/23	2/07	LEGISLATURE'S SUPPORT OF AND INTENT FOR THE CONFERENCE OF THE STATES	2/8 PASS AS AMENDED VOTE:		2/09
SJ0007	DOHERTY, STEVE		LEG AUDITOR TO DO PERFORMANCE AUDIT OF SUPREME CRT ADMIN OFF/CERTAIN SYSTEMS	2/15		

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: By **CHAIRMAN BRUCE CRIPPEN**, on February 16, 1995, at 10:00 AM

ROLL CALL

Members Present:
Sen. Bruce D. Crippen, Chairman (R)
Sen. Al Bishop, Vice Chairman (R)
Sen. Larry L. Baer (R)
Sen. Sharon Estrada (R)
Sen. Lorents Grosfield (R)
Sen. Ric Holden (R)
Sen. Reiny Jabs (R)
Sen. Sue Bartlett (D)
Sen. Steve Doherty (D)
Sen. Mike Halligan (D)
Sen. Linda J. Nelson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Valencia Lane, Legislative Council
Judy Keintz, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	SB 308, SB 340, SJR 16, SB 402
Executive Action:	SJR 16, SB 340, SB 402, SB 206, SB 212, SB 314, SB 308

HEARING ON SB 308

Opening Statement by Sponsor:

SENATOR SHARON ESTRADA, Senate District 7, Billings, presented SB 308. In a civil action, reasonable attorney fees as determined by the court will be awarded to the prevailing party. The intent of this bill is to unclog the court system, put a stop to frivolous lawsuits and eventually bring down insurance rates. SB 308 is a form of tort reform.

counsel for their insured in a question of whether there is coverage or not. **Ms. Lenmark** stated that insurance companies do defend in those situations where they have filed a declaratory judgment action or they simply defend under a reservation of rights for some other purpose. **SENATOR DOHERTY** further questioned the situation if this bill passed and the business he is defending goes to trial and his client loses, would his client then be out not only insurance coverage but would he be also obligated to pay the insurance company's attorneys fees as well. **Ms. Lenmark** stated this depended on the contract between all of the parties.

SENATOR LINDA NELSON commented that someone who protested having her child support lowered and lost would then have to pay attorneys fees. Under this bill, would she also be liable for the court costs and the other party's court costs. **Amy Pfeifer, Attorney with SRS, Child Support Enforcement Division,** commented that under 40-4-110 costs and attorney fees can be awarded in a domestic action. This bill would add attorney fees to the list of costs but would not make too much of a change from existing law.

SENATOR DOHERTY questioned how the prevailing party would be determined in a dissolution action. **Mr. Jarussi** stated there is a statute which makes this discretionary for the court in divorce cases. SB 308 would make it mandatory. The judge ultimately rules and determines who is the prevailing party. Under current law he wouldn't have to award fees to either party. Under SB 308 the prevailing party would be entitled to costs and attorney fees.

Closing by Sponsor:

SENATOR ESTRADA stated that it had been mentioned that this bill might be harmful to elderly people and small business. She would never intentionally do anything to harm either one.

{Tape: 1; Side: B}

HEARING ON SB 340

Opening Statement by Sponsor:

SENATOR BRUCE CRIPPEN, Senate District 10, Billings, presented SB 340. This Act amends Title 30 and 35 and provides for a new form of business which is active in other jurisdictions called a limited liability partnership.

Proponents' Testimony:

David Dietrich, State Bar Business Law Section, spoke on behalf of SB 340. He presented his written testimony, **EXHIBIT 1.** As of October 14, 1994, there are 18 jurisdictions which have enacted the limited liability partnership. An additional nine are

considering it. There are approximately 25 states that have enacted this legislation. This legislation is similar to the Limited Liability Act which was enacted by the 1993 Legislature. If a partner commits an act of malpractice, the other partner's personal assets are not at risk. However, the partnership assets are fully at risk. There are two exceptions to the limited liability shield that others have asked to have placed in other portions of the code for unemployment insurance and workers' compensation. The State Bar has no opposition to those provided they are placed in current HB 100 and HB 200 which are currently being considered. If a Limited Liability Company Act has already been enacted, why are they asking for a Limited Liability Partnership Act? The reasons are: (1) All states recognize partnership. (2) A limited liability partnership, as distinguished from a limited liability company, is available in all states irrespective of whether or not those states have actually enacted a Limited Liability Partnership Act. You can do business as a partnership in all other states, whether or not those others states will actually recognize the shield depends on whether that state has actually enacted a Limited Liability Partnership Act. There is more uniformity. The Limited Liability Company is a new entity. It requires a complex operating agreement and it is more expensive to form. With this, you can take existing partnership agreements and create them as limited liability partnerships. The partnership structure which is currently in place is maintained. This type of a limited liability partnership will not protect sham operations. People still have the ability to pierce the corporate veil of an undercapitalized, uninsured business.

Max Stevens appeared in support of SB 340. He appreciates the ability to practice in an llp environment. As a partner in an llp, his personal capital and assets invested in the partnership are at risk, should he or people under his supervision make an error. He accepts that. His personal assets are not at risk if a partner in a distant office should make an error costing the firm all of its assets.

Garth Jacobson, Secretary of State, spoke in support of SB 340. They offered two amendments, **EXHIBIT 2.** The first amendment applies to assumed business names. Given the demand for the filings in this area, they will need to accommodate more businesses with similar names. The safeguard involved is if two business are operating in a similar marketing territory they do have the name contest provision in 35-1-310. This gives the Secretary of State's Office an opportunity to referee any name disputes. The second amendment simply reduces the fees from $250 to $50. This makes it consistent with the same fees charged for corporations and llcs.

David Scott, Chief Counsel, Department of Labor and Industry, provided copies of proposed amendments, **EXHIBIT 3.** to the bill so that the individual partners of an llp will be jointly and severely liable for unemployment insurance.

Charles Brooks, Billings Chamber of Commerce, appeared in support of SB 340. Enactment of llp is consistent with public policy which has already been adopted by the state.

Tom Harrison, Montana Society of CPAs, spoke in support of SB 340. Montana firms that wish to merge with firms in other states, have been reluctant to go outside the state because of potential liability from those partners outside the state. Also, firms from outside the state have been reluctant to come into the state of Montana because they prefer to do business under this business form. This will benefit the people in Montana.

Jim Tutweiler, Montana Chamber of Commerce, spoke in support of SB 340.

Opponents' Testimony: None.

Informational Testimony: None.

Questions From Committee Members and Responses:

SENATOR HALLIGAN asked how people are kept from allocating more of their personal assets than they should outside of the company.

Mr. Dietrich commented they have a very well developed body of law which provides that if there is deliberate under-capitialization of a corporation, a limited liability company or a limited partnership, the injured party has the ability to pierce the veil. The same piercing the veil arguments apply to a limited liability partnership as they apply to a corporation for deliberate undercapitialization, failure to maintain a reasonable amount of insurance, etc. In terms of allocation, this needs to be looked at on a case by case basis.

SENATOR HALLIGAN commented they ran into a problem in the interim after they passed the Limited Liability Company Act with respect to workers' compensation. Are partners limited or are they required to obtain workers' compensation?

Mr. Dietrich commented it was his understanding that partners have the right to opt out, if the only persons to be covered as employees are the partners themselves. In the amendments which they have agreed to, the partners would be individually, jointly and severely liable for unpaid workers' compensation premiums for employees of the partnership.

SENATOR HALLIGAN asked if partners are responsible to be covered?
Dennis Zeiler, Bureau Chief in the Employment Relations Division of the Department of Labor and Industry, commented that sole owners and working members of partnerships are exempt from the Workers' Compensation Act. They can opt into the system if the insurer allows them to do so and adds an endorsement to the policy. The amendment which is being offered would make the partners jointly and severely liable for the workers'

compensation premiums which would be due or the unemployment insurance taxes as well.

Closing by Sponsor:

SENATOR CRIPPEN offered no additional remarks in closing.

HEARING ON SB 402

Opening Statement by Sponsor:

SENATOR DOROTHY ECK, Senate District 15, Bozeman, presented SB 402. This is the Montana Medical Support Reform Act. This bill was developed by the SRS in cooperation with their Medicaid Service Division, The Insurance Commissioner's Office and the State Department of Labor and Industry. They have had substantial input from insurance companies and small businesses. This bill will strengthen the ability to collect child support and strength the access to health care for our children. In August of 1993, the Omnibus Budget Reconciliation Act (OBRA) was passed. There are mandatory provisions in that bill which require us to pass legislation implementing it by July 1, 1995. One of the major problems in Montana is controlling the increase of Medicaid as a part of our budget. Montana gets approximately $6 to $7 of federal aid for every $1 we spend. This is still a substantial amount to us. The provisions of SB 402 are intended to conserve the expenditure of Medicaid funds. This is done by attempting to assure that children of divorced or separated parents have access to reasonable health insurance coverage provided by their parents. The obligation to provide health insurance coverage will be enforced by the SRS Child Support Enforcement Division to a greater extent than it is currently in existing law.

Mary Ann Wellbank, Administrator of the Child Support Enforcement Division in the Department of SRS, spoke in support of SB 402. They have worked closely with the Medicaid Division in SRS, the Department of Labor, the Insurance Commissioner's Office, health care providers, the insurance industry and small employers in Montana to come up with a bill which meets the federally mandated requirements of OBRA and also works well for Montana and does not place additional burdens on small business. Medicaid is only to be a safety net for parents who are unable to provide medical insurance and do not have adequate income to do so. This bill gives health care providers and insurers consistent guidance on how to deal with divided families. Currently the non-custodial parent may carry insurance on children but when the custodial parent submits expenses to the insurance company for reimbursement, the insurer issues the checks directly to the non-custodial parent and the custodial parent never recovers that money. They do not intend to adopt rules for anything but the expedited procedures. The bill makes the parents of the children responsible for the support of the children. It ensures that children are covered by private insurance when that is available

would ensure that there are not parallel proceedings in state and federal courts.

Opponents' Testimony: None

Informational Testimony: None

Questions From Committee Members and Responses: None

Closing by Sponsor: None

SENATOR LYNCH offered no further remarks on closing.

EXECUTIVE ACTION ON SJR 16

Discussion: **Valencia Lane** clarified the amendment on page 2, line 1, following the word "following" insert "the date on which the" following "conviction" insert "becomes final".

Motion/Vote: **SENATOR BISHOP MOVED TO AMEND SJR 16**. The motion **CARRIED UNANIMOUSLY** on oral vote.

Motion/Vote: **SENATOR BISHOP MOVED SJR 16 DO PASS AS AMENDED.** The motion **CARRIED UNANIMOUSLY** on oral vote.

EXECUTIVE ACTION ON SB 340

Discussion: **CHAIRMAN CRIPPEN** stated there are two amendments. If this bill makes it to the House, he would follow up on additional amendments. The first amendment was recommended by the Secretary of State's Office.

Motion: **SENATOR HALLIGAN MOVED TO AMEND SB 340.**

Discussion: **CHAIRMAN CRIPPEN** commented this amendment would bring the fees more in line with other fees.

Vote: The motion **CARRIED UNANIMOUSLY** on oral vote.

Discussion: **Valencia Lane** commented that the additional amendments were requested by the Department of Labor and Industry. They requested that the bill be amended to address both unemployment insurance compensation laws and workers' compensation laws. The amendments which were handed out address only the unemployment insurance laws, **EXHIBIT 4.** There would be one more amendment added to the title. This would state that the bill provides that partners are jointly and severely liable for unemployment insurance taxes. The amendments amend existing provisions in law in Title 39, Chapter 51, which is the unemployment insurance laws, to make appropriate references to limited liability partnerships. If the committee would like to pass a concept amendment making similar changes in the workers' compensation laws, she would work with David Scott from the Department of Labor and David Dietrich from Billings to make

corresponding changes in Title 39, Chapter 71, to make appropriate references to the new llps in the worker compensation statutes. The amendments before the committee were only the unemployment insurance statutes.

SENATOR CRIPPEN commented that if this bill passes, they would not report it out until everyone had an opportunity to look at the amendments. If there was a problem with the amendments, they would strike the amendments and add the amendments in the House. A hearing on the additional amendments would be held in the House.

Motion: SENATOR HALLIGAN MOVED TO AMEND SB 340 BASED ON THE DEPARTMENT OF LABOR'S TESTIMONY AND RECOMMENDATION WITH RESPECT TO THE JOINT AND SEVERAL LIABILITY FOR THE UNEMPLOYMENT INSURANCE AREA AND IN THE WORKERS' COMPENSATION AREA.

Discussion: SENATOR GROSFIELD questioned that this was not taken care of in the Limited Liability Company Act last session.

SENATOR HALLIGAN answered there was a question as to the workers' compensation application.

Mr. Scott commented that exemptions were not allowed for limited liability companies and the Department of Labor and the State Fund were involved in a lawsuit in Missoula. Those problems have been taken care of in this session's housekeeping bills. That is why they are asking for the amendments in this bill.

SENATOR GROSFIELD stated that if there are 18 to 25 states which have adopted llps, has it been typical in those states to make exceptions for unemployment insurance and workers' compensation.

Mr. Scott stated he did not know the answer to that question. The treatise that he consulted and the statutes which he is familiar with do not contain such an exception. That is not to say they do not exist.

SENATOR GROSFIELD stated that if he were a partner in a professional firm and he had professional staff working for him, he would be responsible for their unemployment insurance and workers' compensation.

Mr. Scott stated that under a general partnership, without respect to any limited liability company shield or limited liability partnership shield, he would be jointly and severely liable for unpaid unemployment insurance and unpaid workers' compensation.

SENATOR GROSFIELD stated that even under a limited liability partnership he would still be responsible to pay this for his own employees; however, maybe not for another partner's employees.

Scott answered that with respect to a limited liability company, he does not have the answer. With respect to the proposed amendment, they are proposing that each partner be jointly and severely liable for unpaid unemployment insurance and unpaid workers' compensation.

Vote: The motion **CARRIED UNANIMOUSLY** by oral vote.

Motion/Vote: **SENATOR HALLIGAN MOVED SB 340 DO PASS AS AMENDED.** The motion **CARRIED UNANIMOUSLY** on oral vote.

EXECUTIVE ACTION ON SB 308

Motion: **SENATOR ESTRADA MOVED SB 308 DO PASS.**

Discussion: **SENATOR HOLDEN** commented that it seemed to him that the people this bill is trying to help might actually be hurt by passage of this bill.

SENATOR BAER stated that SB 308 and SB 212 do not conflict. They support one another.

SENATOR JABS commented that **Mr. Meloy** stated with this bill he would have more lawsuits. This bill then would not cut down on lawsuits.

SENATOR NELSON stated that although this would cut down on frivolous lawsuits, it would probably stop some that should be filed.

SENATOR BARTLETT commented she saw a connection between SB 212 and SB 308. She found difficulty supporting SB 308 until she saw what happened with SB 212.

SENATOR HALLIGAN commented that back in the 80s he was a participant in the major tort reform interim study. They looked very hard at this issue and determined that this was not something they would recommend to the legislature. This bill will have a reverse effect.

CHAIRMAN CRIPPEN stated there are frivolous lawsuits out there and it is frustrating when you are a party to a lawsuit and even though you win, you lose. His concern is that Montana is an isolated state. As a person who does business in this state, he has dealt with some high powered companies. There are a lot of good companies; however, many are not. Their bigness has overtaken them. He has seen cases where a small business person has been deliberately taken advantage of by a big company. He would be hesitant to risk what he had saved to go into court and try a case which he might lose if for no other reason than being overwhelmed. You are governed by the laws of your general partner. He may have a legitimate cause of action against a company, but he would be shut out.

MONTANA SENATE
1995 LEGISLATURE
JUDICIARY COMMITTEE

ROLL CALL DATE 2-16-95

NAME	PRESENT	ABSENT	EXCUSED
BRUCE CRIPPEN, CHAIRMAN	✓		
LARRY BAER	✓		
SUE BARTLETT	✓		
AL BISHOP, VICE CHAIRMAN	✓		
STEVE DOHERTY	✓		
SHARON ESTRADA	✓		
LORENTS GROSFIELD	✓		
MIKE HALLIGAN	✓		
RIC HOLDEN	✓		
REINY JABS	✓		
LINDA NELSON	✓		

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SENATE STANDING COMMITTEE REPORT

February 17, 1995

MR. PRESIDENT:
We, your committee on Judiciary having had under consideration SB 340 (first reading copy -- white), respectfully report that SB 340 be amended as follows and as so amended do pass.

Signed: _____
Senator Bruce Crippen, Chair

That such amendments read:

1. Page 1, line 21.
Following: "or"
Strike: "deceptively similar to"
Insert: "not distinguishable on the record from"

2. Page 1, line 22.
Strike: "to"
Insert: "from"

3. Page 3, line 11.
Strike: "$250"
Insert: "$50"

4. Page 3, line 12.
Strike: "$250"
Insert: "$50"

-END-

Amd. Coord.
Sec. of Senate

411403SC.SRF

SENATE JUDICIARY COMMITTEE
EXHIBIT NO. 1
DATE 2/16/95
BILL NO. SB 340

WHY MONTANA SHOULD ENACT A LIMITED PARTNERSHIP ACT

Chairman Crippen and members of the Committee. I greatly appreciate the opportunity to appear before you today to speak in favor of Bill Number Senate Bill No. 340, the Proposed Montana Limited Liability Partnership Act.

Selecting a form or organization in which to operate is one of the most significant decisions an individual starting a business, or continuing an existing one, will have to make with respect to their business. There are a variety of considerations, both tax and non-tax, including the application of relevant federal, state and sometimes local law, as well as the objectives and desires of the business owner.

The choice of organization will have broad implications. It will affect how the business is conducted, the personal affairs of its owners, and will even impact on the business' employees. Consequently, it is important that states provide businesses with a full choice of forms in which they may operate.

The Limited Liability Partnership (LLP) is a new type of general partnership that is beginning to sweep the nation. As of June 24, 1994, twelve jurisdictions adopted it.

The LLP form is particularly appealing to the segment of the economy that is growing the fastest -- small businesses and

start-up ventures. This is because LLPs have low start-up costs, are flexible and are relatively easy to operate.

The complications associated with organizing a business (and keeping it operating) are often a major reason for small business failure. LLPs provide a flexible form of organization for small businesses that helps them obtain parity with larger, better capitalized organizations which can afford the ancillary benefits of more complicated business organizations.

The Limited Liability Partnership has many of the positive attributes of a general partnership.

It is simple to form -- one needs only to file with the Secretary of State (obtain insurance and pay a fee) to organize as an LLP.

It is simple to operate -- unlike general corporations and limited liability companies, there are no required articles of incorporation, board of directors meetings, etc.

And it is taxed like a partnership -- meaning that the tax liability flows through directly to the LLP's partners and there is no tax at the entity level.

The Limited Liability Partnership also has many of the positive attributes of more complicated business forms.

Partners in an LLP are not <u>personally</u> liable for the debts and obligations of the LLP arising out of errors, omissions,

EXHIBIT 1
DATE 2-16-95
SB 340

negligence, incompetence or malfeasance committed in the course of the partnership business by another partner or representative of the partnership who is not under their direction or supervision.

While the other forms of organization that provide protection for the personal assets of a business owner are more comprehensive, generally covering any action against the entity, these forms also carry with them greater costs and require a level of greater sophistication to set up and operate when compared to an LLP.

Consequently, the Limited Liability Partnership should appeal to the types of businesses that are now operating as partnerships: Mom and Pop grocery stores, plumbing supply companies, architectural offices and other small businesses.

From our state's perspective, it will be a tremendous advantage to offer business the LLP form for the following reasons:

1. States at the forefront of economic development are there because they offer an expansive menu of organizational alternatives for doing business -- corporations, limited liability companies, limited partnerships, professional corporations, limited liability partnerships, and so on. They enable the businesses in their states to be competitive with

businesses from other states and abroad by enabling them to use the business form most suitable to their business situation.

2. The LLP should be revenue positive to the state. The types of businesses that would use an LLP are typically partnerships. Partnerships currently do not have to register with the state or pay a fee for operating here. An LLP, on the other hand, would be required to pay a minimal fee to form in the state.

3. Enactment of an LLP is consistent with public policy positions already adopted by the state. Like any business form, the partners in an LLP always remain responsible for their own actions and the partnership remains responsible for the actions taken on its behalf by employees or partners.

4. Our state has already taken a significant step toward providing a favorable business climate by enacting Limited Liability Company Legislation. Adoption of a Limited Liability Partnership Act will provide an even more favorable business climate -- and will especially benefit that portion of the economy growing the fastest, small businesses and start-up ventures.

5. An LLP will enable the state to keep pace with the rest of the nation and allow businesses that are resident here to better compete with out of state firms.

EXHIBIT 1
DATE 2-16-95
SB 340

For these reasons we urge you to adopt this legislation.

Thank you for allowing me to appear before you. If you have any questions, I will be happy to answer them.

340

SECRETARY OF STATE
STATE OF MONTANA

SENATE JUDICIARY COMMITTEE
EXHIBIT NO. 2
DATE 2/16/95
BILL NO. SB340

Mike Cooney
Secretary of State

Montana State Capitol
PO Box 202801
Helena, MT 59620-2801

Memorandum

TO: Members of the Senate Judiciary Committee

FROM: Garth B. Jacobson
Chief Legal Counsel

RE: Proposed Amendments to SB 340

The following are some very short proposed amendments to SB 340, the Limited Liability Partnership Act. The first amendment adjusts the filing standard for assumed business names from deceptively similar to distinguishable in the records. This enables limited liability partnerships (llp) to have the same name filing standard as corporation or limited liability companies (llc). If there are any problems with deceptively similar names they can be resolved through the name contest procedures found in Section 35-1-310, MCA.

The next two amendments just adjusts the fees to be the same as corporate fees. Presently small corporations or llcs pay a $50 license fee when they are created. (The minimum corporation license fee is $50 for 0 - 50,000 shares of stock.) They then pay $10 per year for filing their annual reports. This is the same amount as the $50 every 5 years that will be charged for renewal of an llp.

2/16/95
SENATE JUDICIARY COMMITTEE
EXHIBIT NO. 3
DATE 2/16/95
BILL NO. SB 340

PROPOSED AMENDMENTS TO SENATE BILL NO. 340
Introduced Copy (White)
Requested by ~~Senator Quilpan~~ Department of Labor + Industry

SENATE JUDICIARY COMMITTEE

1. Title, line 7.
Following: "35-10-636, MCA"
Insert: 39-51-201, 39-51-204, 39-51-1105, 39-51-1303, and 39-51-1304.

2. Page 14, line 10
Following: "formed."
Insert: "Section 21. Section 39-51-201, MCA, is amended to read:

39-51-201. General definitions. As used in this chapter, unless the context clearly requires otherwise, the following definitions apply:

(1) "Annual payroll" means the total amount of wages paid by an employer, regardless of the time of payment, for employment during a calendar year.

(2) "Base period" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year. However, in the case of a combined-wage claim pursuant to the arrangement approved by the secretary of labor of the United States, the base period shall be that applicable under the unemployment law of the paying state. For an individual who fails to meet the qualifications of 39-51-2105 or a similar statute of another state due to a temporary total disability as defined in 39-71-116 or a similar statute of another state or the United States, the base period means the first four quarters of the last five quarters preceding the disability if a claim for unemployment benefits is filed within 24 months of the date on which the individual's disability was incurred.

(3) "Benefits" means the money payments payable to an individual, as provided in this chapter, with respect to the individual's unemployment.

(4) "Benefit year", with respect to any individual, means the 52-consecutive-week period beginning with the first day of the calendar week in which such individual files a valid claim for benefits, except that the benefit year shall be 53 weeks if filing a new valid claim would result in overlapping any quarter of the base year of a previously filed new claim. A subsequent benefit year may not be established until the expiration of the current benefit year. However, in the case of a combined-wage claim pursuant to the arrangement approved by the secretary of labor of the United States, the base period is the period applicable under the unemployment law of the paying state.

(5) "Board" means the board of labor appeals provided for in Title 2, chapter 15, part 17.

(6) "Calendar quarter" means the period of 3 consecutive calendar months ending on March 31, June 30, September 30, or December 31.

(7) "Contributions" means the money payments to the state

unemployment insurance fund required by this chapter but does not include assessments under 39-51-404(4).

(8) "Department" means the department of labor and industry provided for in Title 2, chapter 15, part 17.

(9) "Employing unit" means any individual or organization, including the state government, any of its political subdivisions or instrumentalities, any partnership, LIMITED LIABILITY PARTNERSHIP THAT HAS REGISTERED WITH THE SECRETARY OF STATE, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person which has or had in its employ one or more individuals performing services for it within this state, except as provided under 39-51-204(1)(a) and (1)(b). All individuals performing services within this state for any employing unit which maintains two or more separate establishments within this state are considered to be employed by a single employing unit for all the purposes of this chapter. Each individual employed to perform or assist in performing the work of any agent or employee of an employing unit is deemed to be employed by such employing unit for the purposes of this chapter, whether such individual was hired or paid directly by such employing unit or by such agent or employee, provided the employing unit has actual or constructive knowledge of the work.

(10) "Employment office" means a free public employment office or branch thereof operated by this state or maintained as a part of a state-controlled system of public employment offices or such other free public employment offices operated and maintained by the United States government or its instrumentalities as the department may approve.

(11) "Fund" means the unemployment insurance fund established by this chapter to which all contributions and payments in lieu of contributions are required to be paid and from which all benefits provided under this chapter shall be paid.

(12) "Gross misconduct" means a criminal act, other than a violation of a motor vehicle traffic law, for which an individual has been convicted in a criminal court or has admitted or conduct which demonstrates a flagrant and wanton disregard of and for the rights or title or interest of a fellow employee or the employer.

(13) "Hospital" means an institution which has been licensed, certified, or approved by the state as a hospital.

(14) "Independent contractor" means an individual who renders service in the course of an occupation and:

(a) has been and will continue to be free from control or direction over the performance of the services, both under his contract and in fact; and

(b) is engaged in an independently established trade, occupation, profession, or business.

(15) (a) "Institution of higher education", for the purposes of this part, means an educational institution which:

(i) admits as regular students only individuals having a certificate of graduation from a high school or the recognized equivalent of such a certificate;

(ii) is legally authorized in this state to provide a program

of education beyond high school;

(iii) provides an educational program for which it awards a bachelor's or higher degree or provides a program which is acceptable for full credit toward such a degree, a program of postgraduate or postdoctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(iv) is a public or other nonprofit institution.

(b) Notwithstanding any of the foregoing provisions of this subsection, all colleges and universities in this state are institutions of higher education for purposes of this part.

(16) "State" includes, in addition to the states of the United States of America, the District of Columbia, Puerto Rico, the Virgin Islands, and the Dominion of Canada.

(17) "Taxes" means contributions and assessments required under this chapter but does not include penalties or interest for past-due or unpaid contributions or assessments.

(18) "Unemployment insurance administration fund" means the unemployment insurance administration fund established by this chapter from which administrative expenses under this chapter shall be paid.

(19) (a) "Wages" means all remuneration payable for personal services, including commissions and bonuses, the cash value of all remuneration payable in any medium other than cash, and backpay received pursuant to a dispute related to employment. The reasonable cash value of remuneration payable in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the department.

(b) The term "wages" does not include:

(i) the amount of any payment made by the employer, if the payment was made under a plan established for the employees in general or for a specific class or classes of employees, to or on behalf of the employee for:

(A) retirement;

(B) sickness or accident disability under a workers' compensation law;

(C) medical and hospitalization expenses in connection with sickness or accident disability; or

(D) death;

(ii) remuneration paid by any county welfare office from public assistance funds for services performed at the direction and request of such county welfare office; or

(iii) employee expense reimbursements or allowances for meals, lodging, travel, subsistence, or other expenses, as set forth in department rules.

(20) "Week" means a period of 7 consecutive calendar days ending at midnight on Saturday.

(21) An individual's "weekly benefit amount" means the amount of benefits the individual would be entitled to receive for 1 week of total unemployment.

Section 21. Section 39-51-204, MCA, is amended to read:

39-51-204. Exclusions from definition of employment. (1) The

term "employment" does not include:

(a) agricultural labor, except as provided in 39-51-202(2). If an employer is otherwise subject to this chapter and has agricultural employment, all employees engaged in agricultural labor must be excluded from coverage under this chapter if the employer:

(i) in any quarter or calendar year, as applicable, does not meet either of the tests relating to the monetary amount or number of employees and days worked, for the subject wages attributable to agricultural labor; and

(ii) keeps separate books and records to account for the employment of persons in agricultural labor.

(b) household and domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, except as provided in 39-51-202(3). If an employer is otherwise subject to this chapter and has domestic service employment, all employees engaged in domestic service must be excluded from coverage under this chapter if the employer:

(i) does not meet the monetary payment test in any quarter or calendar year, as applicable, for the subject wages attributable to domestic service; and

(ii) keeps separate books and records to account for the employment of persons in domestic service.

(c) service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;

(d) service performed by an individual in the employ of that individual's son, daughter, or spouse and service performed by a child under the age of 21 in the employ of the child's father or mother;

(e) service performed in the employ of any other state or its political subdivisions or of the United States government or of an instrumentality of any other state or states or their political subdivisions or of the United States, except that national banks organized under the national banking law shall not be entitled to exemption under this subsection and shall be subject to this chapter the same as state banks, provided that such service is excluded from employment as defined in the Federal Unemployment Tax Act by section 3306(c)(7) of that act;

(f) service with respect to which unemployment insurance is payable under an unemployment insurance system established by an act of congress, provided that the department must enter into agreements with the proper agencies under such act of congress, which agreements shall become effective in the manner prescribed in the Montana Administrative Procedure Act for the adoption of rules, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this chapter, acquired rights to unemployment insurance under such act of congress or who have, after acquiring potential rights to unemployment insurance under such act of congress, acquired rights to benefits under this chapter;

(g) services performed as a newspaper carrier or free-lance correspondent if the person performing the services or a parent or guardian of the person performing the services in the case of a minor has acknowledged in writing that the person performing the

services and the services are not covered. As used in this subsection:

(i) "free-lance correspondent" is a person who submits articles or photographs for publication and is paid by the article or by the photograph; and

(ii) "newspaper carrier" means a person who provides a newspaper with the service of delivering newspapers singly or in bundles. The term does not include an employee of the paper who, incidentally to his main duties, carries or delivers papers.

(h) services performed by real estate, securities, and insurance salespeople paid solely by commissions and without guarantee of minimum earnings;

(i) service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university or by the spouse of such a student if such spouse is advised, at the time such spouse commences to perform such service, that the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college, or university and such employment will not be covered by any program of unemployment insurance;

(j) service performed by an individual who is enrolled at a nonprofit or public educational institution, which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program taken for credit at such institution which combines academic instruction with work experience if such service is an integral part of such program and such institution has so certified to the employer, except that this subsection shall not apply to service performed in a program established for or on behalf of an employer or group of employers;

(k) service performed in the employ of a hospital if such service is performed by a patient of the hospital;

(l) services performed by a cosmetologist who is licensed under Title 37, chapter 31, or a barber who is licensed under Title 37, chapter 30, and who has acknowledged in writing that he is not covered by unemployment insurance and workers' compensation and who contracts with a cosmetological establishment as defined in 37-31-101 or a barbershop as defined in 37-30-101, which contract shall show the cosmetologist or barber is free from all control and direction of the owner in the contract and in fact; receives payment for services from his or her individual clientele; leases, rents, or furnishes all of his or her own equipment, skills, or knowledge; and whose contract gives rise to an action for breach of contract in the event of contract termination (the existence of a single license for the cosmetological establishment or barbershop shall not be construed as a lack of freedom from control or direction under this subsection);

(m) casual labor not in the course of an employer's trade or business performed in any calendar quarter, unless the cash remuneration paid for such service is $50 or more and such service is performed by an individual who is regularly employed by such

employer to perform such service. "Regularly employed" means the services are performed during at least 24 days in the same quarter.

(n) employment of sole proprietors or working members of a partnership, OR PARTNERS OF A LIMITED LIABILITY PARTNERSHIP REGISTERED WITH THE SECRETARY OF STATE;

(o) services performed for the installation of floor coverings if the installer:

(i) bids or negotiates a contract price based upon work performed by the yard or by the job;

(ii) is paid upon completion of an agreed upon portion of the job or after the job is completed;

(iii) may perform services for anyone without limitation;

(iv) may accept or reject any job;

(v) furnishes substantially all tools and equipment necessary to provide the services; and

(vi) works under a written contract that:

(A) gives rise to a breach of contract action if the installer or any other party fails to perform the contract obligations;

(B) states the installer is not covered by unemployment insurance; and

(C) requires the installer to provide a current workers' compensation policy or to obtain an exemption from workers' compensation requirements.

(2) "Employment" does not include elected public officials.

(3) For the purposes of 39-51-203(6), the term "employment" does not apply to service performed:

(a) in the employ of a church or convention or association of churches or an organization which is operated primarily for religious purposes and which is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

(b) by a duly ordained, commissioned, or licensed minister of a church in the exercise of the church's ministry or by a member of a religious order in the exercise of duties required by such order;

(c) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving such rehabilitation or remunerative work;

(d) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by a federal agency or any agency of a state or political subdivision thereof by an individual receiving such work relief or work training; or

(e) for a state prison or other state correctional or custodial institution by an inmate of that institution.

(4) An individual found to be an independent contractor by the department under the terms of 39-71-401(3) is considered an independent contractor for the purposes of this chapter.

EXHIBIT 3
DATE 2-16-95
SB 340

Section 23. Section 39-51-1105, MCA, is amended to read:

39-51-1105. Liability of corporate officers, PARTNERS OF A LIMITED LIABILITY PARTNERSHIP, for taxes, penalties, and interest owed by corporation, OR LIMITED LIABILITY PARTNERSHIP. (1) When a corporation subject to Montana corporate law has failed to file the annual corporation report with the Montana secretary of state as required by law the department shall hold the president, vice-president, secretary, and treasurer jointly and severally liable for any taxes, penalties, and interest due for the period in which the corporation is delinquent in filing the annual corporation report. If the required annual corporation report is made and filed after the time specified, such officers may not, on account of prior failure to make report, be held liable for the taxes, penalties, and interest thereafter accruing.

(2) ALL PARTNERS OF A LIMITED LIABILITY PARTNERSHIP ARE LIABLE JOINTLY AND SEVERALLY FOR ANY TAXES, PENALTIES, AND INTEREST OWED.

Section 24. Section 39-51-1303, MCA, is amended to read:

39-51-1303. Collection of unpaid taxes by civil action. (1) If, after due notice, any employer, OR LIABLE PARTNER OF A LIMITED LIABLITY PATNERSHIP REFERRED TO IN 39-51-1105 defaults in any payment of taxes, penalties, or interest thereon, the department may at its discretion initiate a civil action in the name of the Montana department of labor and industry to collect the amount due, and the employer, OR LIABLE PARTNER OF A LIMITED LIABLITY PARTNERSHIP REFERRED TO IN 39-51-1105 adjudged in default shall pay the costs of such action.

(2) An action for the collection of taxes due must be brought within 5 years after the due date of such taxes or it is barred.

(3) The department may pursue its remedy under either this section or 39-51-1304, or both.

Section 25. Section 39-51-1304, MCA, is amended to read:

39-51-1304. Lien for payment of unpaid taxes -- levy and execution. (1) Unpaid taxes, including penalties and interest assessed thereon, have the effect of a judgment against the employer, OR LIABLE PARTNER OF A LIMITED LIABLITY PARTNERSHIP REFERRED TO IN 39-51-1105, arising at the time such payments are due. The department may issue a certificate setting forth the amount of payments due and directing the clerk of the district court of any county of the state to enter the certificate as a judgment in the docket pursuant to 25-9-301. From the time the judgment is docketed, it becomes a lien upon all real and personal property of the employer, OR LIABLE PARTNER OF A LIMITED LIABLITY PARTNERSHIP REFERRED TO IN 39-51-1105. After the due process requirements of 39-51-1109 and 39-51-2403 have been satisfied, the department may enforce the judgment pursuant to Title 25, chapter 13, except that the department may enforce the judgment at any time within 10 years of the creation of the lien.

(2) The lien provided for in subsection (1) is not valid against any third party owning an interest in real or personal

property against which the judgment is enforced if:

(a) the third party's interest is recorded prior to the entrance of the certificate as a judgment; and

(b) the third party receives from the most recent grantor of the interest a signed affidavit stating that all taxes, penalties, and interest due from the grantor have been paid.

(3) A grantor who signs and delivers an affidavit is subject to the penalties imposed by 39-51-3204 if any part of it is untrue. Notwithstanding the provisions of 39-51-3204, the department may proceed against the employer, OR LIABLE PARTNER OF A LIMITED LIABLITY PARTNERSHIP REFERRED TO IN 39-51-1105 under this section or 39-51-1303, or both, to collect the delinquent taxes, penalties, and interest.

(4) The lien provided for in subsection (1) must be released upon payment in full of the unpaid taxes, penalties, and accumulated interest. The department may release or may partially release the lien upon partial payment or whenever the department determines that the release or partial release of the lien will facilitate the collection of unpaid taxes, penalties, or interest. The department may release the lien if it determines that the lien is unenforceable.

Renumber: subsequent sections

SB340.AM01

SENATE JUDICIARY COMMITTEE
EXHIBIT NO. 4
DATE 2/16/95
BILL NO. SB 402

Amendments to SB 402

Page 11
Line 13 NEW SECTION Section 16. Newborn Children. (Strike all)
Item add: A health benefit plan shall provide the

(1) coverage required by 33-22-301 to a newborn child covered by [Sections 1 through 26]

Page 1 Statement of Intent. Strike "." after "services"
Line 21 and STRIKE the entire second sentence, then add:

(2) "TO ADOPT RULES FOR EXPEDITED PROCEDURES."

Page 10 Insert: "KNOWINGLY" between "payor" and
Line 18 "violating".

(3)

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
	2/20	3/03		CONCUR 3/13 VOTE: 16-2		3/15
SB0218	CHRISTIAENS, CHRIS		REVISE LANDLORD TENANT LAWS			
	2/15	3/02		CONCUR 3/15 VOTE: 17-2		3/16
SB0229	HARGROVE, DON		CRIMINAL FORFEITURE OF PROPERTY FOR DRUG OFFENSE; OFFENSE TO POSSESS			
	2/02	3/06		CONCUR AS AMENDED 3/14 VOTE: 18-1		3/15
SB0237	BISHOP, AL		STATE OPEN CONTAINER LAW			
	2/20	3/14		TIE VOTE 3/22 VOTE: 9-9		
SB0272	GROSFIELD, LORENTS		REVISE FILING REQUIREMENTS OF SURVIVING SPOUSE OF JOINT TENANCY			
	2/06	3/08		CONCUR 3/15 VOTE: 19-0		3/16
SB0278	BROOKE, VIVIAN		REVISE DOMESTIC VIOLENCE LAWS			
	2/15	3/07		CONCUR 3/9 VOTE: 18-0		3/13
SB0286	FRANKLIN, EVE		COURT-ORDERED COSTS AND COUNSEL FEES IN PATERNITY PROCEEDINGS			
	2/15	3/03		CONCUR 3/9 VOTE: 18-0		3/10
SB0292	BROWN, BOB		WOMAN'S RIGHT TO KNOW CONCERNING ABORTION			
	2/20	3/20		CONCUR 3/22 VOTE: 12-7		3/22
SB0297	DOHERTY, STEVE		MANDATORY INSURANCE VIOLATIONS PENALTIES			
	2/15	3/08		CONCUR 3/15 VOTE: 17-2		3/16
SB0316	BISHOP, AL		PROVIDE DUI SENTENCING ENHANCEMENT FOR DUI			
	2/20	3/14		CONCUR AS AMENDED 3/22 VOTE: 18-0		3/23
SB0333	BISHOP, AL		REVISE PROBATIONARY DRIVER'S LICENSE PROCEDURES UNDER DUI LAWS			
	2/20	3/14		CONCUR AS AMENDED 3/22 VOTE: 18-0		3/23
SB0340	CRIPPEN, BRUCE		AUTHORIZE LIMITED LIABILITY PARTNERSHIPS			
	2/22	3/06		CONCUR AS AMENDED 3/14 VOTE: 19-0		3/15
SB0353	HALLIGAN, MIKE		REVISE GUARDIAN AD LITEM IN FAMILY MATTERS/SPECIAL MASTERS IN CRIMINAL CASES			

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: By **CHAIRMAN BOB CLARK**, on March 6, 1995, at 8:00 AM.

ROLL CALL

Members Present:

Rep. Robert C. Clark, Chairman (R)
Rep. Shiell Anderson, Vice Chairman (Majority) (R)
Rep. Diana E. Wyatt, Vice Chairman (Minority) (D)
Rep. Chris Ahner (R)
Rep. Ellen Bergman (R)
Rep. William E. Boharski (R)
Rep. Bill Carey (D)
Rep. Aubyn A. Curtiss (R)
Rep. Duane Grimes (R)
Rep. Joan Hurdle (D)
Rep. Deb Kottel (D)
Rep. Linda McCulloch (D)
Rep. Daniel W. McGee (R)
Rep. Brad Molnar (R)
Rep. Debbie Shea (D)
Rep. Liz Smith (R)
Rep. Loren L. Soft (R)
Rep. Bill Tash (R)
Rep. Cliff Trexler (R)

Members Excused: NONE

Members Absent: NONE

Staff Present: John MacMaster, Legislative Council
Joanne Gunderson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 340, SB 229, SB 402, HB 517
Executive Action: NONE

{Tape: 1; Side: A}

HEARING ON SB 340

Opening Statement by Sponsor:

SEN. BRUCE CRIPPEN, SD 10, said SB 340 would amend the Montana Revised Limited Partnership Act. It contained the option for allowing partners to select a limited liability partnership (LLP). He described the difference between the limited liability partnership and a limited liability company (LLC). The second is a corporation while the first is simply a general partnership which elects to come under the law of a limited liability partnership. He said that section 8 on page 5 was the heart of the bill which set forth the limits of liability and nonliability of partners for any debts or obligations which are chargeable to the limited liability partnership for another partner. They are liable to the extent of their assets within that organization as they would be in a corporation. The bill would prevent the ability to pierce through the partnership to go after the personal assets of a limited partner.

Proponents' Testimony:

David Dietrich, State's Trust Subcommittee, State Bar of Montana, registered his support of this proposed act. He felt it was important to Montana's ability to expand its competitiveness for business growth with surrounding states. He proposed some amendments. He described the benefits of a limited liability partnership. **EXHIBIT 1**

Garth Jacobson, Secretary of State's Office, rose in support of SB 340. He said he had been involved in the corporate revisions and in the limited liability company development. This bill was a continuation of the whole process to provide viable alternatives for various Montana businesses. The limited liability partnership would provide a good alternative for small businesses and would be a good entity to assist in the economic development of the state because of its simplicity. The proposed amendments would provide further clarity.

Rod Sager, Unemployment Division Administrator, Department of Labor and Industry, was in support of SB 340 and presented an amendment which would insert, "that all partners are liable jointly and severally for employment taxes, amounts due and owing the uninsured employers' fund, the underinsured employers' fund and as provided by law, penalties and interests."

Jim Tutwiler, Montana Chamber of Commerce, supported SB 340. He said it was not a special interest bill nor would it provide special protection that would promote acts of irresponsibility. He felt it would promote business development.

Robert White, Bozeman Chamber of Commerce, urged passage of SB 340.

David Johnson, Legislative Committee of the Montana Society of CPA's, felt this was a very pro-business bill and urged support.

Charles Brooks, Billings Chamber of Commerce, made the point that it was a pro-business bill without promoting special interests.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

REP. DEB KOTTEL asked for help in clarifying the difference between limited partnerships and limited liability partnerships.

Mr. Dietrich said it should not be confused with a limited partnership but did not know how to clarify the differences.

REP. KOTTEL asked how the limited liability partnership would be disclosed to the public.

Mr. Dietrich said that there would be a central registry at the Secretary of State's Office in the assumed business name of the limited liability partnership. Those dealing with such an entity could call the Secretary of State's Office for the information. Otherwise, they could discover it from the name, since it will require LLP or PLLP in the name. The third way would be through the names of the partners from the Secretary of State's Office.

REP. KOTTEL asked if PLLP was Professional Limited Liability Partnership and the answer was in the affirmative and that it is an optional title.

REP. KOTTEL asked if any other states which had adopted LLP's had the federal government demand that they be recognized as securities as they are under limited partnerships.

Mr. Dietrich said he did not know the answer to that. He said it was a securities issue, but conceivably it could be sold as a security just as a partnership interest. In the event of a sale, those interests as a security would be subject to both state law and federal law registration requirements.

REP. AUBYN CURTISS asked if the amendment by the Department of Labor and Industry meant that past tax liability upon this partnership arrangement would make the other person responsible for what was owing when they came into the working relationship.

Mr. Sager understood that basically it meant that if the partnership has other employees and they have liability or

employment taxes, there is no exemption. They are jointly and severally liable for those taxes.

REP. DANIEL MC GEE asked if the sponsor was comfortable with the labor department amendments.

SEN. CRIPPEN had not looked at them in detail, but if HB's 100 and 200 proceeded as normal, they would be fine. As long as they were limited to employment taxes, he felt it would be fine. He did not think one partner should be liable for the income taxes of another.

REP. MC GEE asked the sponsor to explain how it would work in a situation where two companies which do the same kind of business occasionally work together. And he asked if they once work together, did that become a permanent arrangement.

SEN. CRIPPEN described the options concerning managing the business.

{Tape: 1; Side: A; Approx. Counter: 33.8; Comments: .}

REP. MC GEE described how he would interpret the labor department amendments. He asked if it was saying that each partner as well as the partnership would be liable for the withholding of unemployment from their own individual employees, not just the partnership employees.

Mr. Sager said he did not believe so. The amendment would go in the section of the bill which dealt with the LLP responsibilities. It was intended to clarify that there is no intent to not make the partners of the LLP liable for any employment taxes that that partnership may owe for its employees.

REP. MC GEE suggested amending the language to specify a little clearer degree because it did not stipulate that it doesn't apply to the individual employees which are not part of the partnership.

Mr. Sager said he would not object to that.

REP. JOAN HURDLE asked how to distinguish between an employee of either partner or a joint employee.

SEN. CRIPPEN said that on the surface the employee may represent himself or herself to be an employee of the partnership. The same problem exists with a limited partnership and is discovered through the process of examining each individual situation.

REP. HURDLE asked if it would not be distinguished in the process of paying the unemployment taxes.

SEN. CRIPPEN said it would to the extent that employee works for that partnership.

REP. WILLIAM BOHARSKI said it seemed inconsistent that with the amendments the partner would be protected if one of the employees of the company tried to find the partnership liable while if the partnership did not pay taxes, the government could pierce the veil. He asked why they would protect the government, while not protecting everyone else.

SEN. CRIPPEN said one is an internal situation with a liability which was created in the course of the business. He said that the case of a tort was different. Public policy is in place that says the business is responsible for the payment of the taxes.

REP. BOHARSKI asked if the limited liability partnership veil can be pierced to come after the stockholders in that corporation for the taxes of that corporation.

Mr. Jacobson said there is a two-part test under common law in piercing the corporate veil analysis. If the entity is an alter ego of the persons, the first part of the test would be passed. The second item to look at would be if the organization were under-capitalized. If an LLP were created and then creditors were defrauded, the environment would have been created for piercing the liability veil. It is a common law theory which has not been tested in Montana. It would be possible to use common law theory the same as for piercing a corporate veil, but he did not know to what extent it would happen. He felt it would be very fact specific.

REP. BOHARSKI asked if the language was parallel between an LLP and an LLC as far as piercing the entity to go after the individual for things like taxes.

Mr. Jacobson said there were no preferred creditors for corporations or for LLC's and in the proposed amendments there would be a preferred creditor status for the unemployment insurance and possibly for workers compensation in being able to go after the partners individually. From that standpoint, what is being proposed is different from current law. Under HB's 100 and 200 that exception is created in that there is language which would make the corporation have a responsible party for the payroll taxes as well as the unemployment insurance and workers compensation payments. If the same logic is followed as in those two bills, this would be consistent.

REP. BOHARSKI asked if they were being identically consistent between piercing the veil in going after a partner in an LLP and piercing the veil in an LLC for both torts and taxes.

Mr. Dietrich said it is a common law concept, used in the corporation; i.e., a limited liability company or a limited liability partnership which is set up for a sham purpose--as an alter ego--set up without insurance--there are no assets ever in the corporation, LLC or LLP. Generally speaking in common law, there is an ability by a plaintiff to pierce the liability veil.

In narrow statutory exceptions such as proposed by the department there are exceptions from the liability veil in as much as it relates to unemployment insurance and unpaid workers compensation premiums. HB's 100 and 200 attempt to do that with member-managed limited liability companies and corporations with respect to one person. With the language in this proposed amendment the department is attempting to except that and impose joint and several liability among all the partners of a LLP and so it is a statutory exception to the liability veil.

REP. BOHARSKI gave the example of having two entities; one being a limited liability partnership and one is a limited liability corporation. There are members to the corporation and partners to the partnership. If they both own the same kind of business. In each situation, if an employee of the two entities commits the same act creating a liability, he wanted to know if legally there was any difference in handling the liability in terms of a member of the corporation as opposed to being a partner of the partnership.

Mr. Dietrich said they were the same.

REP. BOHARSKI asked if they were the same as far as taxes.

Mr. Dietrich said that the logic was the same. The original proposal adopted by the Senate was that a coordinating instruction be put on HB's 100 and 200 to include limited liability partnerships. If SB 340 were to pass, those amendments would be deemed effective as regarded HB's 100 and 200. The exceptions to the liability veil are identical except that they were dealing with a full blown common law partnership which is converted to a limited liability partnership and would be imposing joint and several liability on all the partners for the unpaid unemployment insurance. That liability exists now as to general partnerships, he said. There is not that kind of threat in terms of a corporation. It might be there for a member-managed LLC.

REP. KOTTEL stated that a principal is liable for the tortuous and contractual acts of their agent within the scope of the agency.

Mr. Dietrich said he would accept that as true.

REP. KOTTEL further stated that under Montana law partners were principal and agents to one another. That was also affirmed.

REP. KOTTEL stated that one reason there is joint and several liability is the concept of principal and agencies to one another. Again, the answer was in the affirmative.

CHAIRMAN CLARK relinquished the chair to **VICE CHAIR SHIELL ANDERSON.**

REP. KOTTEL stated that Montana law also recognizes imputed knowledge and so that one partner is imputed to have the knowledge of the other partner in terms of their own tortuous and contractual relationships and that is another reason there is joint and several liability.

Mr. Dietrich said he would accept that, but was not familiar with that concept.

REP. KOTTEL asked if this legislation would eliminate both of those concepts in total. Or, she asked, if knowledge can be proved of the other's actions or one partner specifically gave an outline of the other partner to act as their agent under principal agency law, would there still be liability.

Mr. Dietrich said that there would still be liability. If one partner acts in unison with another partner and that partner is said to be under the supervision or control or acting jointly with that partner -- for example, in a legal malpractice claim, the two partners' assets are potentially individually exposed to the claim of the person who was harmed. The assets of the partnership are subject to the claim and then their personal assets are exposed. The remaining partners who did not have anything to do with the file in question would not have exposure of their personal assets to creditors' claims.

REP. KOTTEL asked why this would be used rather than a subchapter S corporation.

Mr. Dietrich said that subchapter S corporations are not preferred as professional corporations. The partnership is a preferred entity for pass-through taxation.

REP. KOTTEL summarized that the best benefits of limited liability under corporate law and the benefits of pass-through tax write off under partnership law are being put together under one entity.

Mr. Dietrich said that was exactly right and that it is also familiar. An existing five-person partnership can be registered under LLP or PLLP with the Secretary of State's Office and that is a limited liability partnership without forming a complex operating agreement in forming a limited liability company.

REP. KOTTEL stated that there is a limit of the number of shareholders for a subchapter S. She asked if there is any limit in the number of partners in a limited liability partnership.

Mr. Dietrich answered, "No."

REP. DUANE GRIMES said that when the limited liability corporation was created, he understood that it was a very amenable easy function for a partnership involvement. He asked

if the LLC was functioning as it was intended to function and if it was popular and being used.

Mr. Dietrich said that his experience was that it is being used. He said it is being used for start-up businesses very effectively. The reason the limited liability partnership act is attractive is because it is attractive for existing businesses which can convert to become LLP without having to be recreated as a limited liability company. The question is whether the business is new or existing. He said this is a natural follow-on act for the one created by the last legislature.

REP. HURDLE asked where the specific tax advantages were for an LLP under Montana tax codes.

Mr. Dietrich said they were no different from a partnership.

{Tape: 1; Side: B}

There was the avoidance of double taxation, the ability to dissolve without incurring inside gain of appreciated assets which were held in the corporation, and liquidation of a real estate venture which was formed as a limited liability partnership and limited liability company is easier than in corporations.

Closing by Sponsor:

SEN. CRIPPEN closed by summarizing why this legislation was needed. He said it would provide a way for existing companies to compete with companies starting to come into the state.

HEARING ON HB 517

Opening Statement by Sponsor:

REP. DEB KOTTEL, HD 45, said HB 517 dealt with prejudgment interest. She introduced the reasons for having prejudgment interest as being based on Judeo-Christian ethics that there should be some limitation in restitution for injury. From the moment of injury, the injured is owed compensation. As a practical matter, the injured does not receive the compensation until the case is settled or until there is a verdict after a trial. The compensation for that injury is available for the defendant's use under the current system and it can promote a delay in the settlement of the case as long as the interest earned on that money is more than the costs of delaying the case. From the point of view for the plaintiff it results in justice delayed being justice denied. The delay in collecting compensatory damages is a delay in justice. It forces many cases to go to trial and forces trials to be put off in continuances as a delaying technique because there is something to gain from not settling cases.

HOUSE OF REPRESENTATIVES

Judiciary

ROLL CALL DATE 3/6/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bob Clark, Chairman	✓		
Rep. Shiell Anderson, Vice Chair, Majority	✓		
Rep. Diana Wyatt, Vice Chairman, Minority	✓ 8:15	✓	
Rep. Chris Ahner	✓		
Rep. Ellen Bergman	✓		
Rep. Bill Boharski	✓		
Rep. Bill Carey	✓ 11:00		✓
Rep. Aubyn Curtiss	✓		
Rep. Duane Grimes	✓ 8:10	✓	
Rep. Joan Hurdle	✓		
Rep. Deb Kottel	✓		
Rep. Linda McCulloch	✓		
Rep. Daniel McGee	✓		
Rep. Brad Molnar	✓		
Rep. Debbie Shea	✓ 8:20	✓	
Rep. Liz Smith	✓ 8:15	✓	
Rep. Loren Soft	✓		
Rep. Bill Tash	✓ 8:10	✓	
Rep. Cliff Trexler	✓		

EXHIBIT 1
DATE 3/6/95
SB 340

Amendments to Senate Bill No. 340
Third Reading Copy (blue)

Requested by Senator Crippen
For the Committee on Judiciary

Prepared by Valencia Lane
March 4, 1995

1. Title, line 6.
Following: "30-13-206,"
Insert: "30-13-209,"

2. Page 2, line 19.
Insert: "**Section 4.** Section 30-13-209, MCA, is amended to read:
"**30-13-209. Amendment.** An amendment to registration of an assumed business name shall be filed with the secretary of state within ~~60 days~~ 1 year after any one of the following events occurs:
(1) there is a change in the name or identity of the person or persons transacting or having interest in the business for which the name is registered;
(2) there is a change in the identity of the county or counties in which the name is or is intended to be used;
(3) a person having an interest in the business with a registered assumed business name withdraws from the business or dies; or
(4) the registrant wishes to change the name of a registered assumed business name.""
{*Internal References to 30-13-209: None.*}

3. Page 3, line 23.
Strike: "17"
Insert: "18"

4. Page 4, line 22.
Strike: "17"
Insert: "18"

5. Page 4, line 28.
Strike: "20"
Insert: "21"

6. Page 5, line 8.
Following: "partner"
Insert: "of the limited liability partnership"

7. Page 5, line 11.
Strike: "17"
Insert: "18"

8. Page 7, line 3.
Following: line 2
Insert: "(a) the partner is personally liable for the liability of the partnership under 35-10-307 or 35-10-629; and

Strike: "as the last words or letters of its name"

18. Page 14, line 4.
Strike: "17"
Insert: "18"

19. Page 14, lines 12 and 14.
Strike: "17 through 20"
Insert: "18 through 21"

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

JUDICIARY COMMITTEE DATE 3/6/95

BILL NO. SB340 SPONSOR(S) SEN. CRIPPEN

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Charles R. Brooks	Billings Chamber	✓	
David Dietz	State Bar of MT / KPMG	✓	
[illegible]	MT Society of CPAs		
Jim Tutwiler	MT Chamber	✓	
Robert White	Bozeman Chamber	✓	
ROD SAGER	DEPT. LABOR & INDUSTRY	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HR:1993
wp:vissbcom.man
CS-14

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON JUDICIARY

Call to Order: By **CHAIRMAN BOB CLARK**, on March 14, 1995, at 8:00 AM.

ROLL CALL

Members Present:

Rep. Robert C. Clark, Chairman (R)
Rep. Shiell Anderson, Vice Chairman (Majority) (R)
Rep. Diana E. Wyatt, Vice Chairman (Minority) (D)
Rep. Chris Ahner (R)
Rep. Ellen Bergman (R)
Rep. William E. Boharski (R)
Rep. Bill Carey (D)
Rep. Aubyn A. Curtiss (R)
Rep. Duane Grimes (R)
Rep. Joan Hurdle (D)
Rep. Deb Kottel (D)
Rep. Linda McCulloch (D)
Rep. Daniel W. McGee (R)
Rep. Brad Molnar (R)
Rep. Debbie Shea (D)
Rep. Liz Smith (R)
Rep. Loren L. Soft (R)
Rep. Bill Tash (R)
Rep. Cliff Trexler (R)

Members Excused: NONE

Members Absent: NONE

Staff Present: John MacMaster, Legislative Council
Joanne Gunderson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	SB 327, SB 316, SB 333	
Executive Action:	SB 63	BE CONCURRED IN
	SB 109	BE CONCURRED IN
	SB 229	BE CONCURRED IN AS AMENDED
	SB 340	BE CONCURRED IN AS AMENDED

than the taxpayer influence in Great Falls. But the taxpayers were bearing the brunt of the significant court costs involved. He said that the First Judicial District is used in a number of statutes as the alternate forum for it and if it proved to be a problem it could be corrected in the future.

REP. DIANA WYATT discussed the economic impact to her community (Great Falls) in this bill. She also discussed the positive influence of organized labor in her community. She asked the committee to return to a proper focus in the debate.

REP. BRAD MOLNAR asked if there had been a great deal of financial support for campaigns for judges from organized labor in Great Falls.

REP. KOTTEL objected to the question.

{Tape: 2; Side: B}

REP. MOLNAR said this issue had been raised in the thirteenth judicial race where attorneys were funding judges campaigns in large amounts and wondered if there was a correlation in this case.

CHAIRMAN CLARK said he thought the question bordered on being inappropriate and that the information was public record for someone to explore if they wanted to.

Vote: **The motion on the second amendment failed by voice vote.**

Discussion: **REP. TREXLER** said that perhaps the fairness pendulum had shifted in finding a venue. He said that many people on the list who live in Flathead County go to Cascade County to file these cases while there are many experts and good medical care available in Missoula. He said if they were concerned about convenience instead of perhaps the attorney being located outside Cascade County, they would go to Fort Benton to make it even more convenient to those living in Hill County.

Vote: **The motion to concur carried 12 - 7 by roll call vote.**

EXECUTIVE ACTION ON SB 109

Motion/Vote: **REP. ANDERSON MOVED SB 109 BE CONCURRED IN. The motion carried 14 - 5, REPS. WYATT, KOTTEL, SHEA, CAREY and MC CULLOCH voted no.**

EXECUTIVE ACTION ON SB 340

Motion: **REP. BOHARSKI MOVED SB 340 BE CONCURRED IN.**

Motion: **REP. BOHARSKI MOVED THE SPONSOR'S AMENDMENTS.**

Discussion: **John MacMaster** discussed further amendments to make it clear that it provided for the partner of limited liability partnerships. He said that the sponsor's amendments covered it in only one place and he pointed out the other places in the bill where that clarification needed to be made.

REP. BOHARSKI considered that a friendly amendment to be included in his original motion for the technical amendments.

The committee continued to clarify the amendments. Without objection from the committee, **Garth Jacobson** from the Secretary of State's office offered clarification of the amendments to the committee. **Mr. MacMaster** finalized the explanation of the amendments and their placement in the bill.

{Tape: 2; Side: B; Approx. Counter: 19.0}

Vote: **The motion carried unanimously by voice vote.**

Motion: **REP. LIZ SMITH MOVED THAT SB 340 BE CONCURRED IN AS AMENDED.**

Discussion: **REP. KOTTEL** asked for explanation of the provision on page 5, lines 9 through 11 and 12 through 14 because they seemed in contradiction to one another. She asked if it resulted in relieving limited partners of a limited liability partnership from liability from the actions of their employees.

REP. ANDERSON explained that they were not in conflict because there would be situations where a limited liability partner would not have general supervision or any control over most of the employees. However, there might be one agent or employee within that partnership whom the partner did supervise directly who then operated within the structure of the partnership. He believed that subsection (b) referred to those employees with whom the partner had no day-to-day contact or general control.

REP. KOTTEL asked if a manager was in place and the partners chose not to take any control, were they relieved of liability if within the normal exercise of business they would be in direct control.

REP. ANDERSON answered that in that situation, they would have a corporation piercing the veil if they had no one minding the shop and would be operating outside of this provision and therefore be held liable.

Discussion: **REP. HURDLE** asked for an explanation of the Department of Labor amendments.

REP. KOTTEL responded that she thought partners ought to be jointly and severally liable and that what they were doing was saying that taxes were above other people injured by the partnership.

Motion/Vote: REP. HURDLE MOVED THE DEPARTMENT OF LABOR AMENDMENTS. The motion failed by voice vote.

Vote: The motion to concur carried unanimously by voice vote.

Motion: REP. ANDERSON MOVED TO ADJOURN.

{Comments: This set of minutes is complete on two 60-minute tapes.}

HOUSE STANDING COMMITTEE REPORT

March 14, 1995

Mr. Speaker: We, the committee on **Judiciary** report that **Senate Bill 340** (third reading copy -- blue) **be concurred in as amended.**

Signed: Bob Clark
Bob Clark, Chair

Carried by: Rep. Royal Johnson

And, that such amendments read:

1. Title, line 6.
Following: "30-13-206,"
Insert: "30-13-209,"

2. Page 2, line 19.
Insert: "**Section 4.** Section 30-13-209, MCA, is amended to read:
"**30-13-209. Amendment.** An amendment to registration of an assumed business name ~~shall~~ must be filed with the secretary of state within ~~60 days~~ 1 year after any one of the following events occurs:
(1) there is a change in the name or identity of the person or persons transacting or having interest in the business for which the name is registered;
(2) there is a change in the identity of the county or counties in which the name is or is intended to be used;
(3) a person having an interest in the business with a registered assumed business name withdraws from the business or dies; or
(4) the registrant wishes to change the name of a registered assumed business name.""

3. Page 3, line 23.
Strike: "17"
Insert: "18"

Committee Vote:
Yes 19, No 0.

591530SC.Hbk

4. Page 4, line 22.
Strike: "17"
Insert: "18"

5. Page 4, line 28.
Strike: "20"
Insert: "21"

6. Page 5, line 5.
Following: "of a"
Insert: "limited liability"

7. Page 5, line 8.
Following: "partner"
Insert: "of the limited liability partnership"

8. Page 5, line 11.
Strike: "17"
Insert: "18"

9. Page 5, line 15.
Following: "partner"
Insert: "of a limited liability partnership"

10. Page 5, lines 17 and 18.
Following: "of a"
Insert: "limited liability"

11. Page 7.
Following: line 2
Insert: "(a) the partner is personally liable for the liability of the partnership under 35-10-307 or 35-10-629; and
(b) one of the following conditions is satisfied:"

12. Page 7, line 3.
Strike: "(a)"
Insert: "(i)"
Renumber: subsequent subsections

13. Page 7, line 5.
Strike: "(b)(i)"
Insert: "(ii)(A)"
Renumber: subsequent subsections

14. Page 8, line 2.
Strike: "indemnification only to the extent that the partner would be personally liable under"
Insert: "charges as provided in"

15. Page 8, line 6.
Following: "is"
Insert: "not"

16. Page 8, line 7.
Following: "indemnification"
Strike: "only"
Insert: "obligation of the partnership, except"
Strike: "and"
Insert: "or"

17. Page 8, line 8.
Following: "35-10-629"
Insert: "for the liabilities incurred by the indemnified partner"

18. Page 12, lines 22, 24, and 30.
Strike: "17"
Insert: "18"

19. Page 13, line 2.
Following: "must"
Insert: "be considered continued and must"

20. Page 13, line 8.
Following: "must"
Insert: "be considered continued and must"

21. Page 13, lines 14 and 15.
Following: "partnership"" on line 14
Strike: remainder of line 14 through "partnership" or" on line 15
Insert: ","

22. Page 13, line 16.
Following: ""l.l.p.""
Strike: ","
Insert: "or"
Following: ""llp","
Insert: "or other words or abbreviations that may be required or authorized by the laws of the state in which the partnership is formed, including without limitation "professional limited liability partnership" or the abbreviation"
Following: ""p.l.l.p.""
Strike: ","
Following: ""pllp""
Strike: "as the last words or letters of its name"

23. Page 14, line 4.
Strike: "17"

Insert: "18"

24. Page 14, lines 12 and 14.
Strike: "17 through 20"
Insert: "18 through 21"

-END-

HOUSE OF REPRESENTATIVES
COMMITTEE PROXY

DATE March 15, 1995

I request to be excused from the Judiciary Committee meeting this date because of other commitments. I desire to leave my proxy vote with Linda McCollum and Diana Wyatt.

Indicate **Bill Number** and your vote **Aye** or **No**. If there are **amendments**, list them **by name and number** under the bill and indicate a **separate vote for each amendment**.

HOUSE BILL/AMENDMENT	AYE	NO
229	X	
SB 63		X
109		X
340	X	
113	X	
164		?
13	X	

SENATE BILL/AMENDMENT	AYE	NO

Rep. Debbie Allen
(Signature)

HR:1993
WP/PROXY

HOUSE OF REPRESENTATIVES
COMMITTEE PROXY

DATE 3/14/95

I request to be excused from the House Judiciary Committee meeting this date because of other commitments. I desire to leave my proxy vote with Bob Clark.

Indicate **Bill Number** and your vote **Aye** or **No**. If there are **amendments**, list them **by name and number** under the bill and indicate a **separate vote for each amendment**.

Sarah

~~HOUSE~~ BILL/AMENDMENT	AYE	NO
SJR SB 206 Amd	✓	
Amd to be instead orig. language	✓	
SB 113	✓	
SB 77 (w/Anderson)		
SB 66	✓	
SB 64	✓	
SB 63	✓	
SB 13 (w/Clark)		
HB 517	✓	

SENATE BILL/AMENDMENT	AYE	NO
SJR 10	✓	
SB 372	✓	
SB 353 (w/Anderson		
SB 340	✓	
SB 297		✓
SB 272	✓	
SB 229	✓	
SB 218	✓	
SB 192 should be cons. w/ other	3/11	
SB 174		✓
SB 109	✓	

Rep. [signature]
~~(Signature)~~

HR:1993
WP/PROXY

HOUSE OF REPRESENTATIVES
COMMITTEE PROXY

DATE 3-14-95

I request to be excused from the Jud Committee meeting this date because of other commitments. I desire to leave my proxy vote with L. McCulloch.

Indicate **Bill Number** and your vote **Aye** or **No**. If there are **amendments**, list them **by name and number** under the bill and indicate a **separate vote for each amendment**.

HOUSE BILL/AMENDMENT	AYE	NO
SB229	✓	
SB63		✓
SB109	✓	✓
SB340	✓	

SENATE BILL/AMENDMENT	AYE	NO

And all amendments

Rep. Bill Carey
(Signature)

HR:1993
WP/PROXY

HOUSE OF REPRESENTATIVES
COMMITTEE PROXY

DATE March 14 95

I request to be excused from the _____ committee meeting this date because of other commitments. I desire to leave my proxy vote with _____.

Indicate Bill Number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

HOUSE BILL/AMENDMENT	AYE	NO
340	✓	
Amendment	✓	

SENATE BILL/AMENDMENT	AYE	NO

Rep. Diana Wyatt
(Signature)

HR:1993
WP/PROXY

HOUSE OF REPRESENTATIVES
COMMITTEE PROXY

DATE 3-14-95

I request to be excused from the Judiciary Committee meeting this date because of other commitments. I desire to leave my proxy vote with Cliff Trexler.

Indicate **Bill Number** and your vote **Aye** or **No**. If there are **amendments**, list them **by name and number** under the bill and indicate a **separate vote for each amendment**.

HOUSE BILL/AMENDMENT	AYE	NO

SENATE BILL/AMENDMENT	AYE	NO
SB 340	X	
amend	X	

Rep. Wm E Boharski
(Signature)

HR:1993
WP/PROXY

HOUSE OF REPRESENTATIVES
COMMITTEE PROXY

DATE 3/4/09

I request to be excused from the House Judiciary Committee meeting this date because of other commitments. I desire to leave my proxy vote with Shiel Anderson

On all House & Senate Bills and amendments.

Indicate **Bill Number** and your vote **Aye** or **No**. If there are **amendments**, list them **by name and number** under the bill and indicate a **separate vote for each amendment**.

HOUSE BILL/AMENDMENT	AYE	NO
All		

SENATE BILL/AMENDMENT	AYE	NO
All		
63	✓	
Kottel Amd 1		✓
Kottel Amd 2		✓
109	✓	
340+ Amds	✓	

Rep. Duane Dimmel
(Signature)

HR:1993
WP/PROXY